

Message Text

CONFIDENTIAL

PAGE 01 CAIRO 05376 301346Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----301349Z 052119 /41

P R 301252Z MAR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC PRIORITY 3355
INFO AMCONSUL ALEXNDRIA
AMEMBASSY DAMASCUS
AMEMBASSY JIDDA
AMEMBASSY KUWAIT

C O N F I D E N T I A L CAIRO 5376

EXDIS

FOR SOBER FROM AMBASSADOR

EO 11652: GDS
TAGS: EINV, ETRD, PFOR, EG
SUBJ: FORD PROJECT IN EGYPT

REF (A) CAIRO 5328, (B) STATE 69417,

1. ASSUMRE REFTELS CROSSED.
2. OUROUSSOFF TELEPHONED ECONCOUNS FROM ALEX ON MARCH 30 TO ADVISE OF RECEIPT OF A TELEX THAT MORNING FROM FORD HQS REPORTING THEIR CONFUSION AS TO STATUS OF PROJECT. WORD FROM ABDEL MEGUID HAD ARRIVED IN DETROIT ON MARCH 27, ANNOUNCING APPROVAL BUT SAYING NOTHING ELSE, AND THERE HAD BEEN ONLY SILENCE SINCE THAT TIME. FORD WANTED TO KNOW WHAT TO DO NEXT, WHO MAKES ANNOUNCEMENT, WHERE AND WHEN, ETC.
3. OUROUSSOFF SAID HE AS EQUALLY CONFUSED. HE HAD AGREED WITH MEGUID THAT HE WOULD WAIT OUTSIDE THE ROOM IN WHICH THE MARCH 27 MEETING OF THE INVESTMENTS AUTHORITY TOOK PLACE,
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TO AWAIT THE DECISION. PRIOR TO MEETING, MEGUID'S SECRETARY CALLED TO SAY HE WAS ILL AND WOULD BE LEAVING IMMEDIATELY AFTER SESSION ENDED, SO THERE WAS NO REASON TO COME. EFFORTS TO SEE MEGUID ON 28TH AND 29TH SIMILARLY REBUFFED, BUT ON 30TH AN APPOINTMENT WAS FIXED FOR 31ST AT 1000. (OUROUSSOFF SAID HE WAS TOLD HE MIGHT HAVE TO WAIT A FEW HOURS). HE PROMISED TO ADVISE US OF RESULTS OF THIS MEETING.

4. COMMENT. WE AGREE WITH OUROUSSOFF THAT EGYPTIAN TIMIDITY IS AT LEAST PARTLY REFLECTION OF CONCERN OVER BOYCOTT QUESTION. PRESS WAS REPORTEDLY PRESENT AT MARCH 27 MEETING SITE, AND NEITHER MEGUID NOR MINECON EL SAYEH (HIS IMMEDIATE SUPERIOR) APPEARS TO BE CERTAIN HOW APPROVAL OF INVESTMENT PROPOSALS BY SEVERAL BLACKLISTED US COMPANIES IS SUPPOSED TO

BE HANDLED.

5. URGENCY AND RAPIDITY WITH WHICH LARGE NUMBER OF UNSPECIFIED APPROVALS WAS GRANTED, ON PROPOSALS THAT IN SOME CASES WERE FAR FROM SETTLED, MAY REFLECT SADAT'S DESIRE TO MAKE A FEW SPECIFIC AND GENERAL ANNOUNCEMENTS ON THE SUBJECT IN WASHINGTON, (AS WELL AS MEGUID'S PUBLICIZED INTENTION TO GET THINGS MOVING ON THE INVESTMENT FRONT). THIS, IN ADDITION TO BOYCOTT, MIGHT EXPLAIN RELUCTANCE TO GO PUBLIC WITH NAMES OF COMPANIES INVOLVED. IN SEPTELS, WE HAVE REPORTED ARAB LEAGUE CONSIDERATION OF OVERALL BOYCOTT ISSUE, AND THIS MAY BE A RELATED MOVE DESIGNED TO MINIMIZE ADVERSE IMPACT OF FORD, ET AL, INVESTING HERE.

6. I HAVE NO OBJECTION IF YOU WISH TO CONVEY FOREGOING TO FREDERICKS.
EILTS

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